



MEETING OF THE

TRANSPORTATION FINANCE TASK FORCE

Wednesday, June 14, 2006

10:30 a.m. – 12:30 p.m.

Main Office

818 West Seventh Street

12th Floor

Los Angeles, California

90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

Officers: President: Yvonne B. Burke, Los Angeles County • First Vice President: Gary Ovitt, San Bernardino County • Second Vice President: Richard Dixon, Lake Forest • Immediate Past President: Toni Young, Port Hueneme

Imperial County: Victor Carrillo, Imperial County • Jon Edney, El Centro

Los Angeles County: Yvonne B. Burke, Los Angeles County • Zev Yaroslavsky, Los Angeles County • Jim Aldinger, Manhattan Beach • Harry Baldwin, San Gabriel • Paul Bowlen, Cerritos • Todd Campbell, Burbank • Tony Cardenas, Los Angeles • Stan Carroll, La Habra Heights • Margaret Clark, Rosemead • Gene Daniels, Paramount • Mike Dispenza, Palmdale • Judy Dunlap, Inglewood • Rae Gabelich, Long Beach • David Gafin, Downey • Eric Garretti, Los Angeles • Wendy Greuel, Los Angeles • Frank Gurulé, Cudahy • Janice Hahn, Los Angeles • Isadore Hall, Compton • Keith W. Hanks, Azusa • José Huizar, Los Angeles • Tom LaBonge, Los Angeles • Paula Lantz, Pomona • Paul Nowatka, Torrance • Pam O'Connor, Santa Monica • Alex Padilla, Los Angeles • Bernard Parks, Los Angeles • Jan Perry, Los Angeles • Ed Reyes, Los Angeles • Bill Rosendahl, Los Angeles • Greig Smith, Los Angeles • Tom Sykes, Walnut • Paul Talbot, Alhambra • Mike Ten, South Pasadena • Tonia Reyes Uranga, Long Beach • Antonio Villaraigosa, Los Angeles • Dennis Washburn, Calabasas • Jack Weiss, Los Angeles • Herb J. Wesson, Jr., Los Angeles • Dennis Zine, Los Angeles

Orange County: Chris Norby, Orange County • Christine Barnes, La Palma • John Beauman, Brea • Lou Bone, Tustin • Art Brown, Buena Park • Richard Chavez, Anaheim • Debbie Cook, Huntington Beach • Leslie Daigle, Newport Beach • Richard Dixon, Lake Forest • Paul Glaab, Laguna Niguel • Marilyn Poe, Los Alamitos

Riverside County: Jeff Stone, Riverside County • Thomas Buckley, Lake Elsinore • Bonnie Flickinger, Moreno Valley • Ron Loveridge, Riverside • Greg Pettis, Cathedral City • Ron Roberts, Temecula

San Bernardino County: Gary Ovitt, San Bernardino County • Lawrence Dale, Barstow • Paul Eaton, Montclair • Lee Ann Garcia, Grand Terrace • Tim Jasper, Town of Apple Valley • Larry McCallon, Highland • Deborah Robertson, Rialto • Alan Wapner, Ontario

Ventura County: Judy Mikels, Ventura County • Glen Becerra, Simi Valley • Carl Morehouse, San Buenaventura • Toni Young, Port Hueneme

Orange County Transportation Authority: Lou Correa, County of Orange

Riverside County Transportation Commission: Robin Lowe, Hemet

Ventura County Transportation Commission: Keith Millhouse, Moorpark

SCAG Offices

818 W. 7th Street, 12th Floor

San Bernardino Conference Room

Los Angeles, CA 90017

(213) 236-1800

Video Conference Location

SCAG Inland Empire Office

3600 Lime Street, Suite 216

Riverside, CA 92501

(951) 784-1513

Agendas and handouts are provided at

<http://www.scag.ca.gov/transportation-finance/tff.htm>

If members of the public wish to review the attachments or have any questions on any of the agenda items, please

contact Joseph Alcock at (213) 236-1848 or

alcock@scag.ca.gov.

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. If you require such assistance, please contact SCAG at (213) 236-1868 at least 72 hours in advance of the meeting to enable SCAG to make reasonable arrangements. To request documents related to this document in an alternative format, please contact (213) 236-1868.

TRANSPORTATION FINANCE TASK FORCE

AGENDA

ITEM

- 1.0 **Call to Order and Introductions** Hon. Richard Dixon,
Chair
- 2.0 **Public Comment Period**
Members of the public desiring to speak on an agenda item or items not on the agenda, but within the purview of this committee, must fill out a speaker's card prior to speaking and submit it to staff before the meeting is called to order. Comments will be limited to three minutes. The Chair may limit the total time for comments to twenty (20) minutes.
- 3.0 **Consent Calendar**
- 3.1 **Approve Minutes from March 30, 2006**
Attachment
- 4.0 **Staff Report**
- 4.1 **RTP Financial Constraint Discussion** Annie Nam, SCAG
In response to FHWA's corrective action, SCAG staff is requesting more detailed project cost/scope information from project sponsors—for both programmed and long range projects. ***See Attachment.***
- 5.0 **Standing Item**
- 5.1 **Legislative Update** Don Rhodes, SCAG
- 6.0 **Information Items**
- 6.1 **CTC Coordination** Chris Williges, System
Summary of meetings with the County Metrics Group
Transportation Commissions; implications for the region's financial forecast; and project schedules. ***See Attachment.***
- 6.2 **Revenue and Cost Model** Chris Williges, System
Basic model structure; overview of revenue Metrics Group
sources to be included; and other issues. ***See Attachment.***
- 6.3 **Energy Issues & Implications for** Hon. Debbie Cook,
Transportation Planning/Finance Councilmember, City
See Attachment. of Huntington Beach



TRANSPORTATION FINANCE TASK FORCE

AGENDA

ITEM

- 7.0 Next Meeting Date & Adjournment
TBD



TRANSPORTATION FINANCE TASK FORCE

MINUTES for March 30, 2006

The following minutes are a summary of the Transportation Finance Task Force (TFTF) meeting. Audio cassette tapes of the actual meeting are available for listening at SCAG's office.

1.0 **Call to Order and Introductions**

Hon. Toni Young, City of Port Hueneme, called the meeting to order. Introductions were made.

2.0 **Public Comment Period**

There were no comments.

3.0 **Staff Report**

3.1 **Overview of Task Force Objective: Staff Consultant Team Introductions**

Mr. Rich Macias, SCAG, provided an introductory overview and highlighted the TFTF's mission. Mr. Macias indicated that for the upcoming Regional Transportation Plan (RTP), development of a Financial Plan will be one of the most critical components. Mr. Macias also stated that identifying resources/funding needed for the RTP will not be an easy task given current funding realities at the state and federal levels. He further stated that the TFTF will not be able to solely rely on public funding sources for transportation. More specifically, the TFTF will need to intensely scrutinize and assess the feasibility of various types of Public Private Partnerships (PPPs) as gap funding strategies. Actions and discussions occurring at TFTF meetings will ultimately be shared with other task forces, committees, and SCAG's Regional Council. Therefore, the role of the TFTF will be to advise SCAG's Transportation and Communications Committee and SCAG's Regional Council as to how the region can best finance the RTP. Mr. Macias concluded his comments by introducing the RTP Financial Plan project team.

3.2 **Review of the 2004 RTP Financial Plan**

Ms. Annie Nam, SCAG, provided a background overview of the 2004 RTP Financial Plan. Her presentation included a brief discussion of available baseline revenues¹ (\$120 billion) versus committed funds (\$115 billion), and the fact that approximately 4% of funds identified in the 2004 RTP would be available for new projects.

Mr. Martin Wachs, Rand Corporation, inquired whether the baseline revenue forecast was only for capital projects. Ms. Nam responded that the baseline forecast included both capital projects as well as operations and maintenance.

Mr. Mike Uyeno, LA DOT, inquired whether Prop. 42 funds were assumed in the baseline. Ms. Nam replied in the affirmative.

Mr. Dan Beal, Automobile Club of Southern California, inquired whether or not county sales-tax renewals were included in the baseline. Ms. Nam indicated that they were not included in the baseline unless they were passed by voter measures. She also noted that because extension(s) of local transportation sales taxes were not assumed, the forecast shows a dramatic drop in transportation revenues around 2010 through 2015. She also argued that part of this drop in baseline revenues was the result of staff's assumption of

¹ Baseline Revenues refer to existing local, state, and federal taxes existing under current law forecasted out to 2030.



TRANSPORTATION FINANCE TASK FORCE

MINUTES for March 30, 2006

significant penetration of alternative fuel vehicles. Ms. Nam also indicated that the TFTF would need to reassess the ramp-up period and the diversion percentage of alternative fueled vehicles to determine if these assumptions are still plausible.

Ms. Nam also stated that according to the 2004 RTP Financial Plan, there is a \$93 billion funding gap between projected baseline revenues and identified needs. As a result of this, the TFTF and the Regional Council developed the following policy objectives:

- Protection of Prop. 42;
- Support for local transportation sales taxes;
- Adjustment of the state gasoline tax, or imposition of a regional fee;
- Review alternative fuel vehicle revenue collection methods;
- Initiate Development Mitigation Fee Programs; and
- Pursue PPP initiatives for selected revenue generating projects.

Ms. Nam also provided an overview of the 2004 RTP Financial Plan's overall Regional Checkbook—highlighting revenue sources and uses. She placed particular emphasis upon the fact that the great majority of transportation funds in the SCAG region are derived from local sources. She also indicated that of the \$213 billion identified in the 2004 RTP, approximately 50% of revenues were to be dedicated to transit, as well as operations and maintenance of the existing system. This left the region with a diminished ability to fund capacity enhancing projects. Thus, one of the primary roles of the TFTF will be to refine and enhance the 2004 RTP Financial Plan's Gap Funding strategies. Ms. Nam closed her presentation by stating that the TFTF would have to analyze/incorporate and address the following financial and policy factors which have developed/changed and/or worsened since the 2004 RTP Financial Plan was developed:

- Continuing state budget deficits;
- Instability of Prop. 42;
- Tribal Gaming legal challenges;
- SAFETEA-LU funding estimates need to be incorporated;
- Dwindling resources for the STIP and funding reliability concerns;
- The long-term viability of the Federal Highway Trust Fund;
- Volatility of project cost;
- Local ballot initiatives (i.e. Measure M)
- Extension of the RTP horizon year to 2035; and
- Previous RTP gap funding strategies need to be reassessed and refined.

4.0 **Action Items**

4.1 Proposed Workplan and Schedule for the (2007/2008) RTP Financial Plan Update

Chris Williges, System Metrics Group, provided an overview of the consultant project team, the proposed work plan, and highlighted critical issues as they relate to the 2007/2008 RTP Financial Plan. He stated that the consulting team would be divided into four sub-teams. The first sub-team will oversee development of the baseline financial model. The second team headed by Craig Hoshijima of Public Financial Management, will develop Innovative Financing strategies and funding scenarios for the baseline. Mike Fisher of Cambridge Systematics will provide input on Innovative Financing strategies



TRANSPORTATION FINANCE TASK FORCE

MINUTES for March 30, 2006

related to Goods Movement, and Dr. Brian Taylor of UCLA will research various policy issues as they relate to the overall RTP Financial Plan.

Mr. Williges also described the various components which will be incorporated into the RTP Financial Plan. He indicated that the process will begin with the development and analysis of the revenue forecast model. Once the County Transportation Commissions (CTCs) have provided their project submittals, the cost model will be developed. He also indicated that while developing these various components of the financial forecast, the project team will also be investigating alternative funding strategies and conducting gap analyses.

Mr. Martin Wachs, inquired whether the CTCs would be placing financial limitations upon their project lists before they are submitted to SCAG. Ms. Nam responded by indicating that this would ultimately depend on the project, and where it is in the overall planning process. Mr. Williges followed up by indicating that in the project lists that the CTCs propose, there will be some financial modeling assumptions about what the future will hold. He went on to state that these different assumptions could potentially be a challenge in developing a baseline forecast, given that all CTCs may not necessarily incorporate the same assumptions or provide the same level of detail in regard to their financial estimates. However, Mr. Williges also stated that the project team would be analyzing and reassessing the "regional checkbook" so that the RTP's Financial Plan will ultimately balance, be defensible to our federal partner agencies, and at the same time, be consistent with what SCAG's constituent agencies have developed.

Continuing with his presentation, Mr. Williges stated the project team expects the final Financial Plan to be complete by the summer of FY 07. To implement this schedule, Mr. Williges stated that several critical tasks will need to be completed within the next few months. These activities will include developing the revenue side of the Financial Plan, reviewing current revenue sources and key socio-economic drivers of those revenue sources. He also indicated that by the end of June, the project team envisions being able to propose a structure for the Financial Plan's revenue/cost model.

Robert Rodine, The Polaris Group, inquired whether the revenue model would be flexible enough to adapt to policy changes being considered by the TFTF. Mr. Williges stated that the revenue model will be flexible enough to adapt to various policy assumptions. He also indicated that the project team would be developing two sets of forecasts: the baseline revenue forecast (which assumes that no new policies would be adopted beyond existing conditions) and a second forecast which would take into account the various alternative funding/financing strategies.

Mr. Williges further stated that the financial model would consist of three components: 1) A forecast of economic drivers including population, gasoline consumption, and employment; 2) A forecast by county of various revenue sources; and 3) Parameters that would allow the project team to manipulate the model by assuming various policy variables.

Mr. Williges also described some of the challenges the project team anticipates in developing the model. Some of these challenges include the need to develop a baseline and intermediate model in order to reflect RTIP projects which will continue to progress beyond the initial baseline period. He also indicated that there is going to be some degree of difficulty in developing the cost model as SCAG is required to identify full costs



TRANSPORTATION FINANCE TASK FORCE

MINUTES for March 30, 2006

including cost escalations for individual projects.

Mr. Williges went on to highlight a number of significant policy issues the project team will be researching and looking for direction on in the coming months: assumptions about the penetration rate of alternative fueled vehicles, the volatility in gasoline prices, projected oil shortages, impacts on revenues due to the aging population, and sharp increases in construction costs.

Hon. Toni Young, indicated that she would like the project team to investigate efficiencies that have emerged as demand for hybrid vehicles has increased. She also indicated that she would like the project team to investigate how alternative fueled vehicles are going to be taxed.

Martin Wachs inquired whether the project team is going to look at new sources of revenues and new approaches to collecting revenues (i.e. regional motor fuel taxes and vehicle mile fees). Mr. Williges stated that the project team would be analyzing both of these issues. Mr. Miles Mitchell, LA DOT, indicated that he would like to see the TFTF and the project team investigate strategies that other MPOs have been employing to deal with the same issues that are confronting SCAG.

Chris Williges responded by indicating that Craig Hoshijima and his group will be analyzing Innovative Financing strategies which have been applied around the nation. Jacki Bacharach, South Bay Cities Council of Governments, stated that she would also like to have the project team investigate Innovative Financing strategies from around the country, in order to learn what they have done, while also working to potentially develop a coalition. Annie Nam indicated that the project team would do this by investigating Innovative Financing strategies both domestically and internationally.

The TFTF approved the Work Plan and Schedule.

5.0

Discussion Items

- 5.1 Mr. Craig Hoshijima, Public Financial Management, provided an overview of the various types of Public Private Partnerships (PPPs) that are currently being utilized throughout the country. He primarily focused on the Design-Build-Finance-Operate (DBFO) PPP method to highlight the emerging trend of providing highway concessions to the private sector. Mr. Hoshijima discussed three examples of highway concessions (Massachusetts Highways State Route 3, SR-91 Express Lanes, and the SR-125 Toll Road). He also provided an overview of how the financing structure worked for each of these projects. Mr. Hoshijima discussed various other highway PPP agreements. These projects included the Chicago Skyway's concession to Cintra and Macquarie infrastructure groups and the Oregon Department of Transportation's recent request for proposals for a "long-term strategic development partner." Mr. Martin Wachs, wanted it noted that the Chicago Skyway concession would not be a model that the TFTF should further investigate, because revenues from this concession are being provided to non-transportation related needs.

Mr. Hoshijima continued with his presentation by stating that recent highway concessions coupled with SAFETEA-LU's new Private Activity Bond provisions have made it easier for the private sector to invest in highway infrastructure. He also indicated that the private



TRANSPORTATION FINANCE TASK FORCE

MINUTES for March 30, 2006

sector is increasingly interested in becoming involved with transportation infrastructure finance and management. Mr. Hoshijima stated that southern California with its large traffic flows and relatively fixed supply of transportation infrastructure has intense demand and significant revenue potential—making southern California one of the premiere areas for investing in highway concessions. Mr. Hoshijima also stated that the private sector with its vast resources is not as constrained as the public sector when it comes to generating funding in order to complete transportation projects. Thus concession agreements and PPPs may present southern California with a unique opportunity to expand its transportation infrastructure. However, he did caution that before wide-spread use of PPPs could be applied in southern California, several public policy hurdles would need to be overcome. He indicated that the State and the region would need to determine if they are comfortable with relinquishing public control over tolls and transportation facilities through concession/franchise agreements.

Members of the TFTF voiced general concerns in regard to the use of franchise agreements and non-compete clauses. Also, Mr. Martin Wachs inquired whether or not the project team would be analyzing PPPs applicability to Goods Movement and transit. Mr. Hoshijima indicated that the project team would be analyzing PPPs to determine their applicability to Goods Movement activities. However, Mr. Hoshijima and various members of the TFTF indicated that applying PPPs to public transit may potentially be unfeasible, given that public transit is heavily subsidized by the public sector, and the economics of PPPs do not work out as well for public transit as they do for highways.

6.0 **Standing Items:**

6.1 **State Legislative Update**

Jeff Dunn, SCAG, described staff's recent efforts in advocating for SCAG's transportation finance priorities. Mr. Dunn indicated that staff is working with its representatives in Sacramento to have an infrastructure bond measure placed on the November ballot. Mr. Dunn also indicated that staff has been pushing hard for protection of Prop. 42 funds. He indicated that there are currently three constitutional amendments which are being discussed, and staff is intensely monitoring movement on each of these proposals. Mr. Dunn also indicated that staff has been lobbying elected officials to modify the Goods Movement sections of the various infrastructure bond proposals so that allocations are based on volume of freight and system performance. In addition to these efforts, staff also has been working with various public and private entities including USC's Keston Institute, the California Business Roundtable, and the California Foundation for the Environment and Economy, to put together a series of informational workshops for the State Legislature. The workshops focused on the benefits of PPPs/design build contracting. Mr. Dunn closed by stating that staff will be working to put together more of these workshops in the future.

6.2 **Federal Legislative Update**

Sarah Adams, SCAG, provided an overview of the FTA's new PPP Pilot Program. She indicated that the FTA is currently soliciting comments on this program in regard to design-build, private sector investment incentives, funding methods to reach a Record of Decision, the New Starts application process and NEPA, the balance between public and private sector risk, and tax-exempt financing for transit on new capital projects. Ms. Adams also stated that SCAG is working with the CTCs and Metrolink to formulate



TRANSPORTATION FINANCE TASK FORCE

MINUTES for March 30, 2006

comments on these topic areas. Ms. Adams concluded her remarks by stating that staff would welcome any suggestions that members of the TFTF or their agencies would be willing to provide.

7.0 **Next Meeting Date & Adjournment**

The meeting was adjourned, and it was determined that SCAG staff would circulate an email indicating when the next meeting would be held.



Attendance

Elected Representatives Present:

Hon. Pam O'Connor, City of Santa Monica
Hon. Toni Young, City of Port Hueneme
Hon. Lee Ann Garcia, City of Grand Terrace (Video Conference)

Elected Representatives Absent:

Hon. Arthur Brown, City of Buena Park
Hon. Richard Dixon, City of Lake Forest
Hon. Ron Loveridge, City of Riverside
Hon. Robin Lowe, City of Hemet
Hon. Bonnie Lowenthal, City of Long Beach
Hon. Judy Mikels, Ventura County
Hon. Gary Ovitt, San Bernardino County
Hon. Jeff Stone, Riverside County
Hon. Paul Talbot, City of Alhambra

Teleconference/Video Conference:

Craig Fajnor, RTA
Ken Lobeck, RCTC
Jennifer Bergner, OCTA
Rosa Lopez, IVAG
Paul Fagan, Caltrans District 8

Others Present:

Jacki Bacharach, South Bay Cities Council of Governments
Dan Beal, Automobile Club of Southern California
RB Blanza, Caltrans District 8
Joanna Capelle, SCRRA
Herman Cheng, METRO
TyAnn DeChambeau, FHWA
Craig Hoshijima, Public Financial Management
Aileen Kennedy, Caltrans District 8
Marianne Kim, Automobile Club of Southern California
Jack Joseph, Gateway Cities Council of Governments
Miles Mitchell, LA DOT
Fred Pearson, Parsons Brinckerhoff Consulting
Robert Rodine, The Polaris Group
Mary Travis, VCTC
Mike Uyeno, LA DOT
Kathleen Wanda, Caltrans District 7
Diana Wastson, Caltrans District 7
Martin Wachs, The Rand Corporation
Chris Williges, System Metrics Group
Andrea Zureick, SANBAG

SCAG Staff Present:

Joseph Alcock
Naresh Amatya
Bob Huddy
Rich Macias
Jonathan Nadler
Annie Nam

MEMO

DATE: June 2, 2006

TO: Transportation Finance Task Force

FROM: Annie Nam, Transportation Finance Program Manager,
(213) 236-1827, nam@scag.ca.gov

SUBJECT: RTP Financial Constraint Discussion

SUMMARY:

Staff will provide a brief discussion about meeting federal financial constraint requirements for the Regional Transportation Plan (RTP) including the need to address the Federal Highway Administration's (FHWA) and the Federal Transit Administration's (FTA) jointly issued corrective action.

The federal agencies issued a corrective action requesting that SCAG identify detailed and updated cost information for each individual project in the RTP—including baseline projects committed in the Regional Transportation Improvement Program (RTIP).

BACKGROUND:

In order to begin addressing the federal corrective action, SCAG has developed a more detailed project information request template (see attached) and will be working with the County Transportation Commissions/project sponsors to ensure the inclusion of adequate levels of detail for each project included in the RTP.

Although SCAG staff recognizes federal concerns about adequately estimating project costs to meet federal financial constraint requirements, there are challenges that staff will face in the coming months as we attempt to better gauge project costs. These challenges, of course, include the substantial volatility in materials cost (in just the last few years alone). And in a region the size of SCAG's, the administrative coordination required to adequately collect and monitor individual project cost changes presents a significant problem. This is particularly disconcerting as the FHWA has stated that cost increases above 10 percent for individual projects would require a RTP amendment as projects move forward for programming in the RTIP.

Despite these challenges, SCAG is currently working with the County Transportation Commissions/project sponsors to collect better cost data and convey the importance of providing more substantive project scopes and associated costs for purposes of updating the RTP. Further, SCAG will be providing increased documentation on the region's revenue sources and milestones/steps for implementing proposed new revenue strategies to better demonstrate financial constraint for the 2007/2008 RTP.

RTP Development

RTP Project Information Request

System Metrics Group, Inc.

The 2004 RTP compiled limited project information, focusing primarily on costs ...

CO	Category	Route/Program	From	To	Description	Public Funding (02\$)	Private/Other Funding (02\$)	Completion Year	RTP ID
IM	Arterial	SR-115	I-8	Evan Hewes Hwy	Construct 4-lane extension	\$55,000,000		2012	6M0400E
IM	Arterial	SR-98	SR-111	Dogwood Rd/SR-98	Corridor improvements - widening and/or realignment	\$30,000,000		2012	6M04001
IM	Arterial	SR-78	at Proposed SDSU Campus in Brawley		Access Improvements	\$3,000,000		2012	6M04001A
IM	Arterial	SR-111	South of SR-98	Port of Entry	Improvements	\$50,000,000		2012	6M01002
IM	Mixed Flow	SR-111	SR-98	I-8	Upgrade to 4-lane freeway with interchange(s) at several locations	\$90,000,000		2012	6M01003
IM	Arterial	SR-111	SR-78 (Brawley)	SR-115 (Calipatria)	Upgrade to 4-lane conventional	\$50,000,000		2012	6M01004
IM	Arterial	SR-98	West of SR-111 @ RR crossing		Construct bridge structure	\$1,500,000		2022	6M01007
IM	Arterial	Dogwood Rd Corridor / I-8 Overpass	SR-98	I-8	Corridor improvements - widen to 6 lanes from McCabe to I-8; I-8 Improvement to 6 lanes	\$90,000,000		2012	6M04018
IM	O&M	State Highway and Arterial Preservation	Countywide		State Highway and Arterial Preservation/Maintenance	\$157,500,000		2030	6PL04
IM	TDM	TDM/Non-motorized	Countywide		TDM (Non-motorized, telecommute, etc.)	\$32,000,000		2030	6TDL04
IM					Total Imperial County	\$559,000,000	\$0		
LA	Arterial	Arterial Improvements	Countywide		Regional Surface Transportation Improvements - refer to separate Arterials project list	\$583,200,000		2030	1AL04
LA	Grade Crossing	Grade Crossing	Countywide		Arterial Goods Movement - refer to separate Grade Crossings project list	\$522,600,000		2030	1GL04
LA	HOV	I-5/SR-170	North to South/South to North		HOV Connector	\$43,000,000		2025	1H0102

For the 2007/2008 RTP, we plan to request additional project information



- **Based on the feedback from US DOT, we need to strengthen the financial element of the RTP so that we are not forced to amend it in the future when real costs differ significantly from RTP costs**
- **We plan to request capital cost information by category (Engineering, Right-of-way, Construction)**
- **We also want to try and better match project costs with revenue sources (to the extent possible)**
- **We will also request information on expected benefits of the projects and sources**

Draft list of additional fields that will be requested ...



- **Lead Agency – Agency that initiated and is responsible for project delivery**
- **Existing Configuration – Description of existing configuration (e.g., 4 lanes) for highway projects. This reduces coding time for SCAG modelers.**
- **Project Source – How was the project proposed (e.g., Sales tax plan, CMP, LRP)**
- **Priority – Programmed, committed, planned, or additional phase of prior project. This helps us identify degree of funding commitment.**
- **Start Year – Year that project expenditures begin. We need this to identify when to begin spending funds (if we compare revenues and costs by year)**
- **Costs by Category – Expenditure categories including: engineering, right of way, and construction**
- **Expenditures by funding source – Expenditures and funding sources identified for project by year or in five-year increments. We need this to compare expenditures to revenues.**
- **Funding Comments – Narrative to identify any details about funding commitments.**
- **Benefits – Benefits by performance major performance outcome (per RTP measures)**

The spreadsheet provided is divided into five categories

1. Project identification

Project Identification				
RTP ID	County	Lead Agency	Source of Project	Category
6MadeUp	IMP	IVAG	County plan	Arterial

2. Project information

Project Information							
Route/Program	From	To	Description	Existing Configuration	Start Year	Completion Year	Priority
SR-Example	I-Example	Example Hwy	Construct 4-lane extension	None	2008	2012	Programmed

3. Project Y

Project Costs by Category			
Engineering (07\$)	Right-of-Way (07\$)	Construction (07\$)	Total Costs (07\$)
\$2,000,000	\$4,000,000	\$49,000,000	\$55,000,000

4

System Metrics Group, Inc.

The spreadsheet provided is divided into five categories ... continued

4. Funding Sources

Expenditures by Funding Source								
Federal Funding (07\$)	Federal Funding Source (if known)	State Funding (07\$)	State Funding Source (if known)	Local Funding (07\$)	Local Funding Source (if known)	Private Funding (07\$)	Total Funding (07\$)	Funding Comments
\$45,000,000	FHWA CMAC	\$7,000,000	STIP	\$3,000,000	Other	\$0	\$55,000,000	

5. Benefits Expected

Benefits					
Project Purpose and Need	Mobility	Accessibility	Safety	Reliability	Environment
Relieve congestion on parallel route and provide access	Yes	Yes			Yes

5

System Metrics Group, Inc.

**The information request will include a spreadsheet
with appropriate pull-down menus ...**



- We understand that details for some projects may not be available at this stage
- To the extent possible, estimates for these details would be appreciated along with appropriate comments
- We want to start this process early enough to allow for subsequent discussions and clarifications (not to mention modeling)

MEMO

DATE: June 2, 2006

TO: Transportation Finance Task Force

FROM: Chris Williges, System Metrics Group

SUBJECTS: CTC Coordination, Revenue and Cost Model

SUMMARY:

This information item presents the results of our County Transportation Commission (CTC) coordination and implications for the Regional Transportation Plan (RTP) revenue and cost model. System Metrics Group and SCAG interviewed representatives of each CTC. We found that the level of detail varies greatly among financial forecasts, with some counties developing sophisticated models and others relying on forecasts from SCAG or outside experts. Every forecast is based on some type of trend analysis after the SAFETEA-LU period (2005 to 2009) with limited considerations of air quality attainment goals and transit service provision. The forecasts generally do not predict changes in population, employment, ridership, or gas consumption.

While the Regional Council adopted a 2035 RTP horizon, most county long-range plans extend only to 2030. The RTP may need to include for the last few years projects that have not been formally adopted. However, a regional revenue shortfall may eliminate this issue. Orange and Los Angeles Counties have not yet adopted their long-range plans, which may delay the submission of projects for the RTP.

The revenue model will need to include the primary federal (STP, CMAQ, TEA, FTA), state (STA, STIP, SHOPP), and local (TDA, sales tax, developer mitigation fees, farebox, tolls) sources. We plan to forecast revenues using a consistent methodology regionally and calibrate them with the county forecasts. The cost model will include the adopted projects from the county long-range plans. Other issues include: the use of nominal or constant dollars, the inclusion of financing or timing issues in project costs, the estimation of Metrolink contributions, and the potential for other sales taxes.

BACKGROUND:

System Metrics Group and SCAG met with CTC representatives to understand how they forecast future revenues and to collect materials relevant for developing the 2007/2008 RTP financial forecast. The revenue and cost model will balance consistency with CTC forecasts and regional standardization that can be explained to outside stakeholders. We need the Task Force to provide input on issues we identified through our CTC coordination and to approve our basic approach to the revenue and cost model.

MEMO

DATE: June 2, 2006

TO: Transportation Finance Task Force

FROM: Annie Nam, Transportation Finance Program Manager,
(213) 236-1827, nam@scag.ca.gov

SUBJECT: Energy Issues and Implications for Transportation Planning/Finance

SUMMARY:

Hon. Debbie Cook, SCAG Regional Council Member and Council Member for the City of Huntington Beach, will provide a presentation highlighting some of the issues raised during the recent Southern California Energy Conference. On March 10, 2006, SCAG presented the Southern California Energy Conference: ***Our Energy Future*** at the Metropolitan Water District in downtown Los Angeles. Over 150 participants heard from international experts speaking about mounting liquid fuel problems, mitigation measures and alternatives. Link to Energy Conference: <http://www.scag.ca.gov/rcp/energy-summit.htm>

Issues raised during the Energy Conference have tremendous implications for long range transportation planning—particularly transportation finance.

BACKGROUND:

Already, the long term stability of transportation revenues is under question as gas tax receipts comprise the largest share of revenues for the nation's Highway Trust Fund. The Congressional Budget Office's (CBO) latest projection of the Highway Trust Fund shows negative balances as early as 2009. In forecasting future transportation revenues for the region, assumptions about significant changes in energy supply/costs and transportation demand can further impact the viability of the Highway Trust Fund—and how we pay for our transportation systems.

SCAG staff anticipates continuing discussion over the coming months, amongst the Transportation Finance Task Force members, to help formulate initial policies that would guide the development of SCAG's RTP financial forecast.